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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
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AZ CORP COMMISSION
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IN THE MATTER OF THE DETERMINATION OF
A RATE BASE VALUE FOR MIRACLE VALLEY
WATER COMPANY, COCHISE WATER
COMPANY, HORSESHOE RANCH WATER
COMPANY, CRYSTAL WATER COMPANY,
MUSTANG WATER COMPANY, CORONADO
ESTATES WATER COMPANY AND SIERRA
SUNSET WATER COMPANY, OWNED BY
JOHNNY A. MCLAIN, AND PERFORMANCE OF
A RECONSTRUCTED COST NEW STUDY TO
AID IN THE DETERMINATION OF THE RATE
BASE VALUE.

DOCKET NO. W-01646A-05-0506
DOCKET NO. W-01868A-05-0506
DOCKET NO. W-02235A-05-0506
DOCKET NO. W-02316A-05-0506
DOCKET NO. W-02230A-05-0506
DOCKET NO. W-01629A-05-0506
DOCKET NO. W-02240A-05-0506

PROCEDURAL ORDER

BY THE COMMISSION:

At its July 12, 2005 open Meeting, the Arizona Corporation Commission ("Commission") directed its Utilities Division Staff ("Staff") to open the above-captioned matter to perform a reconstructed cost new ("RCN") study to assist in the determination of a rate base value for the seven systems listed above ("McLain water systems"). The Asset and Purchase Agreement approved by the Bankruptcy Court in *In re Johnny A. McLain, et al.*, Case No. 4-03-bk-04125-TUC-EWH requires that a rate base value be established by the Commission before the sale of the McLain water systems can closed.

On July 20, 2005, Staff filed a Motion to Open Docket and Request for Procedural Conference. Because of the unprecedented, unique and extraordinary circumstances associated with these matters and the recent hardships on the customers of the McLain water systems resulting from system outages, Staff requests a Procedural Conference to fashion a framework for addressing the issues raised in this docket be set as soon as possible.

IT IS THEREFORE ORDERED that a **Procedural Conference** for the purpose of establishing guidelines in the above-captioned docket shall commence on **August 12, 2005, at 10:00**

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